中油港燃能源集團控股有限公司
CHINA OIL GANGRAN ENERGY GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8132
(formerly known as Fairson Holdings Limited)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of China Oil Gangran Energy Group Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

ANNUAL RESULTS

The board of Directors (the "Board") of the Company is pleased to present the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2014 (the "Financial Year") together with the comparative figures for the year ended 31 March 2013 (the "Previous Financial Year") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Note	**2014** *HK$*	2013 *HK$*
Continuing operations			
Turnover	*4*	**128,260,573**	146,068,544
Cost of sales		**(107,236,126)**	(120,939,652)
Gross profit		**21,024,447**	25,128,892
Other income	*5*	**8,409,757**	5,661,258
Selling expenses		**(5,135,387)**	(5,581,935)
Administrative expenses		**(109,383,765)**	(31,572,719)
Loss from operations		**(85,084,948)**	(6,364,504)
Gain on disposal of subsidiaries		**26,648**	–
Finance costs	*7*	**(5,813,809)**	(652,510)
Loss before tax		**(90,872,109)**	(7,017,014)
Income tax credit	*8*	**2,002,001**	136,030
Loss for the year from continuing operations		**(88,870,108)**	(6,880,984)
Discontinued operation			
Loss for the year from discontinued operation		**–**	(5,807,398)
Loss for the year	*6*	**(88,870,108)**	(12,688,382)
Other comprehensive income, after tax			
Items that may be reclassified to profit or loss:			
Reclassification of change in fair value of available-for-sale financial assets		**–**	191,847
Exchange differences on translating foreign operations		**211,451**	28,084
Exchange differences reclassified to profit or loss on disposal of subsidiaries		**–**	(146,414)
Other comprehensive income for the year, net of tax		**211,451**	73,517
Total comprehensive income for the year		**(88,658,657)**	(12,614,865)

	Note	**2014**	2013
		HK$	*HK$*
Loss for the year attributable to:			
Owners of the Company			
Loss from continuing operations		**(88,677,902)**	(6,880,984)
Loss from discontinued operation		**–**	(2,821,940)
Loss attributable to owners of the Company		**(88,677,902)**	(9,702,924)
Non-controlling interests			
Loss from continuing operations		**(192,206)**	–
Loss from discontinued operation		**–**	(2,985,458)
Loss attributable to non-controlling interests		**(192,206)**	(2,985,458)
		(88,870,108)	(12,688,382)
Total comprehensive income for the year attributable to:			
Owners of the Company			
Loss from continuing operations		**(88,466,451)**	(6,807,467)
Loss from discontinued operation		**–**	(2,821,940)
Loss attributable to owners of the Company		**(88,466,451)**	(9,629,407)
Non-controlling interests			
Loss from continuing operations		**(192,206)**	–
Loss from discontinued operation		**–**	(2,985,458)
Loss attributable to non-controlling interests		**(192,206)**	(2,985,458)
		(88,658,657)	(12,614,865)
Loss per share		***HK$ cents***	*HK$ cents* (restated)
From continuing and discontinued operations			
Basic	*9(a)*	**(1.36)**	(0.18)
Diluted	*9*	**N/A**	N/A
From continuing operations			
Basic	*9(a)*	**(1.36)**	(0.13)
Diluted	*9*	**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Note	2014 HK$	2013 HK$
Non-current assets			
Property, plant and equipment		**21,349,582**	21,021,641
Goodwill	*11*	**91,489,805**	5,363,566
Intangible assets	*12*	**92,152,900**	–
Available-for-sale financial assets		**–**	1,110,739
Deposit paid for acquisition of a subsidiary	*13*	**15,000,000**	–
Deposits paid for acquisition of property, plant and equipment	*14*	**9,982,315**	878,435
		229,974,602	28,374,381
Current assets			
Inventories		**14,391,476**	17,760,397
Trade and other receivables	*14*	**33,622,229**	45,445,997
Contingent consideration receivables	*15*	**4,669,000**	–
Financial assets at fair value through profit or loss		**–**	640
Derivative components of convertible bonds	*18*	**26,683,000**	–
Pledged bank deposits		**–**	1,510,837
Bank and cash balances		**91,155,559**	12,709,788
		170,521,264	77,427,659
Current liabilities			
Trade and other payables	*16*	**27,904,063**	37,052,606
Due to a director		**911,255**	829,265
Due to a shareholder		**3,745,895**	–
Promissory notes	*17*	**64,036,519**	–
Convertible bonds	*18*	**7,913,460**	–
Borrowings		**4,444,173**	6,666,667
Current tax liabilities		**5,668,788**	6,324,805
		114,624,153	50,873,343
Net current assets		**55,897,111**	26,554,316
Total assets less current liabilities		**285,871,713**	54,928,697

	Note	2014 HK$	2013 HK$
Non-current liabilities			
Promissory notes	*17*	**35,720,960**	–
Convertible bonds	*18*	**3,696,205**	–
Deferred tax liabilities		**24,011,919**	973,694
		63,429,084	973,694
NET ASSETS		**222,442,629**	53,955,003
Capital and reserves			
Share capital	*19*	**726,450**	550,000
Reserves		**221,788,385**	53,405,003
Equity attributable to owners of the Company		**222,514,835**	53,955,003
Non-controlling interests		**(72,206)**	–
TOTAL EQUITY		**222,442,629**	53,955,003

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Attributable to owners of the Company										
	Share capital	Share premium	Statutory reserve	Other reserve	Foreign currency translation reserve	Share-based capital reserve	Convertible bonds equity reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At 1 April 2012	550,000	29,530,415	2,502,035	(191,847)	200,868	–	–	30,992,939	63,584,410	835,376	64,419,786
Total comprehensive income for the year	–	–	–	191,847	(118,330)	–	–	(9,702,924)	(9,629,407)	(2,985,458)	(12,614,865)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	2,150,082	2,150,082
Transfers	–	–	392,620	–	–	–	–	(392,620)	–	–	–
Changes in equity for the year	–	–	392,620	191,847	(118,330)	–	–	(10,095,544)	(9,629,407)	(835,376)	(10,464,783)
At 31 March 2013	550,000	29,530,415	2,894,655	–	82,538	–	–	20,897,395	53,955,003	–	53,955,003
At 1 April 2013	**550,000**	**29,530,415**	**2,894,655**	**–**	**82,538**	**–**	**–**	**20,897,395**	**53,955,003**	**–**	**53,955,003**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**211,451**	**–**	**–**	**(88,677,902)**	**(88,466,451)**	**(192,206)**	**(88,658,657)**
Capital injection from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**120,000**	**120,000**
Issue of shares upon placing, net of share issuance expenses	**121,450**	**30,114,411**	**–**	**–**	**–**	**–**	**–**	**–**	**30,235,861**	**–**	**30,235,861**
Issue of share for acquisition of a subsidiary	**55,000**	**87,945,000**	**–**	**–**	**–**	**–**	**–**	**–**	**88,000,000**	**–**	**88,000,000**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**–**	**–**	**52,959,000**	**–**	**–**	**52,959,000**	**–**	**52,959,000**
Share option lapsed	**–**	**–**	**–**	**–**	**–**	**(6,511,000)**	**–**	**6,511,000**	**–**	**–**	**–**
Recognition of equity component of convertible bonds	**–**	**–**	**–**	**–**	**–**	**–**	**85,831,422**	**–**	**85,831,422**	**–**	**85,831,422**
Transfers	**–**	**–**	**330,615**	**–**	**–**	**–**	**–**	**(330,615)**	**–**	**–**	**–**
Changes in equity for the year	**176,450**	**118,059,411**	**330,615**	**–**	**211,451**	**46,448,000**	**85,831,422**	**(82,497,517)**	**168,559,832**	**(72,206)**	**168,487,626**
At 31 March 2014	**726,450**	**147,589,826**	**3,225,270**	**–**	**293,989**	**46,448,000**	**85,831,422**	**(61,600,122)**	**222,514,835**	**(72,206)**	**222,442,629**

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Suites 707-9, 7th Floor, Prudential Tower, The Gateway, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and the Group are principally engaged in (i) development of liquefied natural gas, compressed natural gas and related clean energy business; (ii) activities relating to the provision of programming services, web services, mobile marketing solutions and development of mobile phone games; and (iii) sales and manufacture of power cords and inlet sockets for household electric appliances and power and data cords for mobile handsets and medical control devices and raw cables.

These financial statements have been prepared under the historical cost convention, as modified for contingent consideration receivables and derivative components of convertible bonds which are carried at their fair values.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2013. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and amounts reported for the current year and prior years except as stated below.

(a) Amendments to HKAS 1 "Presentation of Financial Statements"

Amendments to HKAS 1 titled Presentation of Items of Other Comprehensive Income introduce a new optional terminology for statement of comprehensive income and income statement that has been applied by the Group. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 did not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

(b) HKFRS 12 "Disclosure of Interests in Other Entities"

HKFRS 12 "Disclosure of Interests in Other Entities" specifies the disclosure requirements for subsidiaries, joint arrangements and associates, and introduces new disclosure requirements for unconsolidated structured entities.

The adoption of HKFRS 12 only affected the disclosures relating to the Group's subsidiaries in the consolidated financial statements. HKFRS 12 has been applied retrospectively.

(c) HKFRS 13 "Fair Value Measurement"

HKFRS 13 "Fair Value Measurement" establishes a single source of guidance for all fair value measurements required or permitted by HKFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurements.

The adoption of HKFRS 13 only affected disclosures on fair value measurements in the consolidated financial statements. HKFRS 13 has been applied prospectively.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position. The Group does not plan to adopt these standards prior to their mandatory effective date.

3. SEGMENT INFORMATION

In prior years, the Group's reportable segments were divided into power cords and inlet sockets for household electric appliances, power and data cords for mobile handsets and medical control devices, raw cables and copper wires.

During the year, the directors reviewed the nature and financial effects of the Group's business activities and the internal reportable conditions and considered that it is more appropriate to consolidate the business activities relating to the sales and manufacture of power cords and inlet sockets for household electric appliances, power and data cords for mobile handsets and medical control devices and raw cables into power and data cords business and form a single segment. Comparative figures have been restated to conform with the current year's presentation.

The Group's reportable segments are therefore as follows:

1. Clean energy business – engaged in development of liquefied natural gas, compressed natural gas and related clean energy business.

2. Digital application business – engaged in activities relating to the provision of programming services, web services, mobile marketing solutions and development of mobile phone games.

3. Power and data cords business – engaged in sales and manufacture of power cords and inlet sockets for household electric appliances and power and data cords for mobile handsets and medical control devices and raw cables.

4. Copper wires business – engaged in sales and manufacture of copper wires (discontinued operation).

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the annual financial statements for the year ended 31 March 2014.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Segment profit or loss do not include the following items:

- Other income
- Corporate expenses
- Gain on disposal of subsidiaries
- Finance costs

Segment assets do not include the following items:

- Derivative components of convertible bonds
- Available-for-sale financial assets
- Financial assets at fair value through profit or loss
- Other corporate assets

Segment liabilities do not include the following items:

- Promissory notes
- Convertible bonds
- Borrowings
- Other corporate liabilities

Information about reportable segment profit or loss, assets and liabilities:

	Clean energy business *HK$*	**Digital application business** *HK$*	**Power and data cords business** *HK$*	**Total** *HK$*
Year ended 31 March 2014				
Turnover from external customers	**–**	**2,112**	**128,258,461**	**128,260,573**
Segment loss	**(613,189)**	**(5,420,526)**	**(12,118,738)**	**(18,152,453)**
Interest revenue	**643**	**–**	**19,308**	**19,951**
Interest expenses	**–**	**–**	**316,151**	**316,151**
Depreciation and amortisation	**–**	**5,951,944**	**6,164,846**	**12,116,790**
Other material item of income and expense:				
Income tax credit	**–**	**(1,470,525)**	**(531,476)**	**(2,002,001)**
Other material non-cash item:				
Impairment losses on goodwill	**–**	**–**	**5,363,566**	**5,363,566**
Additions to segment non-current assets	**–**	**189,531,590**	**4,033,578**	**193,565,168**
At 31 March 2014				
Segment assets	**46,718,411**	**188,893,688**	**81,731,980**	**317,344,079**
Segment liabilities	**12,800**	**27,328,580**	**32,634,184**	**59,975,564**

	Clean energy business HK$	Digital application business HK$	Power and data cords business HK$ (Restated)	(Discontinued operation) Copper wires business HK$ (Restated)	Total HK$
Year ended 31 March 2013					
Turnover from external customers	–	–	146,068,544	11,356,611	157,425,155
Intersegment revenue	–	–	–	3,989,653	3,989,653
Segment loss	–	–	(9,428,326)	(9,826,470)	(19,254,796)
Interest revenue	–	–	19,263	1,791	21,054
Interest expenses	–	–	652,510	–	652,510
Depreciation	–	–	6,070,103	1,250,364	7,320,467
Other material item of income and expense:					
Income tax credit	–	–	(136,030)	–	(136,030)
Other material non-cash item:					
Impairment losses on goodwill	–	–	2,527,595	–	2,527,595
Additions to segment non-current assets	–	–	6,427,229	–	6,427,229
At 31 March 2013					
Segment assets	–	–	104,690,661	–	104,690,661
Segment liabilities	–	–	45,180,370	–	45,180,370

Reconciliations of reportable segment turnover, profit or loss, assets and liabilities:

	2014	2013
	HK$	*HK$*
Turnover		
Total turnover of reportable segments	**128,260,573**	157,425,155
Elimination of discontinued operation	**–**	(11,356,611)
Consolidated turnover from continuing operations	**128,260,573**	146,068,544
Profit or loss		
Total profit or loss of reportable segments	**(18,152,453)**	(19,254,796)
Other income	**8,409,757**	5,664,800
Corporate expenses	**(73,340,251)**	(2,461,406)
Gain on disposal of subsidiaries	**26,648**	4,015,530
Finance costs	**(5,813,809)**	(652,510)
Elimination of discontinued operation	**–**	5,807,398
Consolidated loss for the year from continuing operations	**(88,870,108)**	(6,880,984)
Assets		
Total assets of reportable segments	**317,344,079**	104,690,661
Derivative components of convertible bonds	**26,683,000**	–
Available-for-sale financial assets	**–**	1,110,739
Financial assets at fair value through profit or loss	**–**	640
Other corporate assets	**56,468,787**	–
Consolidated total assets	**400,495,866**	105,802,040
Liabilities		
Total liabilities of reportable segments	**59,975,564**	45,180,370
Promissory notes	**99,757,479**	–
Convertible bonds	**11,609,665**	–
Borrowings	**4,444,173**	6,666,667
Other corporate liabilities	**2,266,356**	–
Consolidated total liabilities	**178,053,237**	51,847,037

Geographical information:

	Turnover		Non-current assets	
	2014	2013	**2014**	2013
	HK$	*HK$*	***HK$***	*HK$*
Hong Kong	**1,231,435**	3,497,667	**214,889,427**	10,025,155
The People's Republic of China ("PRC")	**82,257,488**	126,450,232	**15,085,175**	17,238,487
Taiwan	**22,890,963**	7,946,892	**–**	–
United States	**21,291,180**	19,175,817	**–**	–
Other countries	**589,507**	354,547	**–**	–
Consolidated total	**128,260,573**	157,425,155	**229,974,602**	27,263,642

In presenting the geographical information, turnover is based on the locations of the customers. Non-current assets do not include avalible-for-sale financial assets.

Turnover from major customers:

Turnover derived from major customers who contributed 10% or more of total turnover are as follows:

	2014	2013
	HK$	*HK$*
Customer A	**23,900,553**	36,348,808
Customer B	**22,840,782**	7,789,416*
Customer C	**5,216,823***	28,041,495
Customer D	**21,480,477**	19,174,261
Customer E	**14,096,703**	18,795,068

* *Sales of these customers did not exceed 10% of total revenue in the respective years. These amounts were shown for comparative purpose.*

4. TURNOVER

The Group's turnover represented the following:

	2014	2013
	HK$	*HK$*
Sales of power and data cords and inlet sockets	**128,258,461**	145,392,583
Sales of copper wires	**–**	11,356,611
Share of income from mobile commerce	**2,112**	–
Others	**–**	675,961
	128,260,573	157,425,155
Representing:		
Continuing operations	**128,260,573**	146,068,544
Discontinued operation	**–**	11,356,611
	128,260,573	157,425,155

5. OTHER INCOME

	2014	2013
	HK$	*HK$*
Interest income	**21,378**	21,054
Gain on disposal of property, plant and equipment	**–**	5,101,647
Imputed interest income arising from issuance of promissory notes	**7,878,535**	–
Fair value gain on contingent consideration receivables	**134,000**	–
Sundry income	**375,844**	542,099
	8,409,757	5,664,800
Representing:		
Continuing operations	**8,409,757**	5,661,258
Discontinued operation	**–**	3,542
	8,409,757	5,664,800

6. LOSS FOR THE YEAR

Loss for the year is arrived at after charging/(crediting) the following:

	2014	2013
	HK$	*HK$*
Continuing operations		
Cost of inventories sold	**67,626,509**	73,262,099
Acquisition related costs (included in administrative expenses)	**5,643,167**	–
Operating lease payments		
– Land and buildings	**3,922,821**	2,464,292
– Motor vehicles	**284,384**	–
Amortisation	**5,882,100**	–
Depreciation	**6,347,430**	6,070,103
Allowance on inventories	**626,887**	771,426
Other receivables written off	**130,000**	–
Net foreign exchange losses	**1,093,662**	253,937
Loss on disposals of property, plant and equipment	**81,557**	–
Impairment loss on goodwill	**5,363,566**	2,527,595
Impairment loss on available-for-sale financial assets	**–**	1,622,386
Fair value loss on financial assets at fair value through profit or loss	**–**	839,020
Directors' emoluments *(note 14)*	**22,494,629**	2,637,964
Staff costs including directors' emoluments		
Salaries, bonuses and allowances	**36,151,474**	37,572,947
Equity-settled share-based payments	**26,044,000**	–
Retirement benefits scheme contributions	**5,268,497**	2,218,203
	67,463,971	39,791,150
Other equity-settled share-based payments	**26,915,000**	–
Auditors' remuneration		
– Current	**650,000**	430,000
– (Over)/under-provision in prior year	**(10,000)**	324,070
	640,000	754,070
Discontinued operation		
Cost of inventories sold	**–**	8,032,262
Operating lease payments in respect of land and buildings	**–**	674,040
Depreciation	**–**	1,250,364
Employee benefit expenses	**–**	2,173,454
Trade receivables written off	**–**	1,969,395
Loss on disposals of property, plant and equipment	**–**	2,850,745

7. FINANCE COSTS

	2014	2013
	HK$	*HK$*
Continuing operations:		
Interest on bank borrowings	**48,711**	336,826
Interest on trust receipt loans	**267,440**	315,684
Effective interest expenses on convertible bonds wholly repayable within five years	**236,947**	–
Effective interest expenses on promissory notes		
– Wholly repayable within five years	**4,697,044**	–
– Not wholly repayable within five years	**563,667**	–
	5,813,809	652,510

8. INCOME TAX CREDIT

	2014	2013
	HK$	*HK$*
Continuing operations:		
Current tax – Hong Kong Profits Tax		
Provision for the year	**106,225**	138,460
Current tax – PRC Enterprise Income Tax		
Provision for the year	**412,501**	499,733
Over-provision in prior years	**(1,050,202)**	(774,223)
	(637,701)	(274,490)
Deferred tax	**(1,470,525)**	–
	(2,002,001)	(136,030)

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year ended 31 March 2014 (2013: 16.5%).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Pursuant to the Enterprise Income Tax rules and regulations of the PRC, the PRC subsidiaries of the Group are subject to Enterprise Income Tax at a rate of 25% (2013: 25%), except for Sun Fair Electric Wire & Cable (Shenzhen) Company Limited ("Sun Fair SZ") is entitled to a preferential tax rate of 15% for the three years since 2012 for being a high technology enterprise.

9. LOSS PER SHARE

Basic loss per share

(a) For continuing and discontinued operations

Basic loss per share is calculated by dividing the loss attributable to owners of the Company of HK$88,677,902 (2013: HK$9,702,924) by the weighted average number of ordinary shares of 6,514,082,192 (2013: 5,500,000,000 as adjusted to reflect share subdivision on 24 March 2014) in issue for the year ended 31 March 2014.

(b) For continuing operations

Basic loss per share for continuing operations is calculated by dividing the loss attributable to owners of the Company of HK$88,677,902 (2013: HK$6,880,984) by the weighted average number of ordinary shares of 6,514,082,192 (2013: 5,500,000,000 as adjusted to reflect share subdivision on 24 March 2014) in issue for the year ended 31 March 2014.

(c) For discontinued operation

Basic loss per share from the discontinued operation for the year ended 31 March 2013 is HK$0.05 cents per share (restated) based on the loss for the year from discontinued operation attributable to the loss attributable to owners of the Company of HK$2,821,940 and the denominator used is the same as that detailed above for basic loss per share from continuing and discontinued operations.

Diluted loss per share

No diluted loss per share is presented as the share options and convertible bonds have anti-dilutive effects on basic loss per share for the year (2013: Nil).

10. DIVIDEND

No dividend has been paid or declared by the Company during the years ended 31 March 2014 and 2013.

11. GOODWILL

	HK$
Cost	
At 1 April 2012, 31 March 2013 and 1 April 2013	14,284,967
Arising on acquisition of a subsidiary *(note 20)*	91,489,805
At 31 March 2014	105,774,772
Accumulated impairment losses	
At 1 April 2012	6,393,806
Impairment loss	2,527,595
At 31 March 2013 and 1 April 2013	8,921,401
Impairment loss	5,363,566
At 31 March 2014	14,284,967
Carrying amount	
At 31 March 2014	91,489,805
At 31 March 2013	5,363,566

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2014 ***HK$***	2013 *HK$*
Digital application business:		
3 Dynamics (Asia) Limited ("3 Dynamics")	**91,489,805**	–
Power and data cords business:		
Sun Fair Electric Wire & Cable Industrial Co., Limited ("Sun Fair Industrial")	**–**	5,363,566
	91,489,805	5,363,566

Cash generating unit for segment of digital application business ("CGU for digital application")

The recoverable amount is determined based on value-in-use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rate, terminal growth rate and budgeted gross margin and turnover during the period. The Group estimated the discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU for digital application. The terminal growth rate is based on long-term average economic growth rate of the geographical area in which the businesses of the CGU for digital application operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the terminal growth rate of 3.14%. The pre-tax rate used to discount the forecast cash flows for digital application business is 29.96%.

Cash generating unit for segment of power and data cords business ("CGU for power and data cords")

The recoverable amount is determined based on value-in-use using discounted cash flow method. This method use pre-tax cash flow projections based on financial budgets approved by the management covering a three years (2013: four years) period using the average sales growth rate of 0% (2013: 1.4%). The pre-tax rate used to discount the forecast cash flows for the power and data cords business is 25.81%. Cash flows beyond the three years (2013: four years) period are extrapolated using the estimates terminal growth rates of 0% (2013: 2%). The management estimates the pre-tax discount rate that reflects market assessment of the time value of money and specific risk relating to the industry.

The management considers that the carrying amount of goodwill for the power and data cords business in the amount of HK$5,363,566 should be fully impaired for the year ended 31 March 2014 (2013: HK$2,527,595). This impairment loss has been included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

12. INTANGIBLE ASSETS

	Contractual right
	HK$
Cost	
Acquisition of a subsidiary and at 31 March 2014	98,035,000
Accumulated amortisation	
Amortisation for the year and at 31 March 2014	5,882,100
Carrying amount	
At 31 March 2014	92,152,900

The contract right is acquired through acquisition of a subsidiary during the year ended 31 March 2014. The contractual right represents the design, development, sales and distributions of mobile phone games with popular cartoon characters in PRC arising from a cooperation agreement (the "Cooperation Agreement") with a PRC company, Guangzhou Blue Arc Culture Communication Company Limited ("廣州藍弧文化傳播有限公司"). The Cooperation Agreement has a term of 5 years from 1 March 2013 to 28 February 2018 and is renewable for 5 years subject to negotiation by the parties concerned. In the opinion of the directors, the contractual right is expected to be available for use by the Group over a useful life of 4.17 years from the date of acquisition and it is being amortised on a straight-line basis over 4.17 years. The remaining amortisation period of the contractual right is 3.92 years.

13. DEPOSIT PAID FOR ACQUISITION OF A SUBSIDIARY

On 10 January 2014, the Company and Mr. Wu Zhi Qiang ("Mr. Wu") entered into a non-legally binding memorandum of understanding (the "MOU") in relation to a proposed acquisition (the "Proposed Acquisition") of the entire issued share capital of Jian Long Da Holdings Limited (the "Target Company") from Mr. Wu. The Target Company is incorporated in Hong Kong and has signed a framework agreement with the People's Government of Wangdu City (the "Wangdu Government"). Pursuant to the framework agreement, the Target Company shall set up a project company in the PRC and the Wangdu Government shall grant the project company the exclusive right to construct and operate the centralized heating facilities in Wangdu City for a term of 30 years. The MOU will expire on 9 October 2014. The deposit is non-interest bearing, secured by the entire issued share capital of the Target Company and refundable in the event that the Proposed Acquisition is terminated or upon the expiry of the MOU.

Further details of the Proposed Acquisition are set out in the Company's announcement dated 10 January 2014.

14. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$	*HK$*
Trade receivables *(note a)*	**25,658,345**	42,229,832
Other receivables *(note b)*	**17,946,199**	4,094,600
	43,604,544	46,324,432
Less: Non-current portion	**(9,982,315)**	(878,435)
Total trade and other receivables	**33,622,229**	45,445,997

(a) Trade receivables

The majority of the Group's sales are on credit terms up to 120 days from the end of the month of invoice. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables based on the due date is as follows:

	2014	2013
	HK$	*HK$*
Not yet due	**17,148,150**	35,033,687
1-30 days	**3,561,098**	5,268,100
31-60 days	**690,952**	544,793
61-90 days	**1,006,783**	1,315,054
91-180 days	**3,251,362**	68,198
Total	**25,658,345**	42,229,832

(b) Other receivables

	2014	2013
	HK$	*HK$*
Advances to staff	**1,376,527**	16,765
Deposits paid for acquisition of property, plant and equipment *(note (i))*	**9,982,315**	878,435
Prepayments and other deposits paid	**5,751,398**	2,934,785
Others	**835,959**	264,615
	17,946,199	4,094,600

Note:

(i) Included in the deposits paid for acquisition of property, plant and equipment as at 31 March 2014, an unsecured deposit of HK$8,000,000 was paid to an independent consultant of the Group for a proposed acquisition of a piece of land located in Hong Kong. Pursuant to the consultant agreement dated 1 November 2013 (the "Consultant Agreement"), the deposit plus interest calculated at 8% per annum shall be fully refunded to the Group in the event that no formal sale and purchase agreement is entered by the Group on or before 30 May 2014.

On 27 May 2014, the Company entered into the extension of Consultant Agreement with the consultant wherein the Company agreed to extend the repayment term of the Consultant Agreement from 30 May 2014 to 30 August 2014. Other terms of the Consultant Agreement remain unchanged.

15. CONTINGENT CONSIDERATION RECEIVABLES

As referred to note 20, the Group acquired the entire issued share capital of 3 Dynamics on 31 December 2013 (the "Acquisition Date").

Pursuant to the terms of the sale and purchase agreement dated 21 November 2013, Mr. Chung Wai Sum (the "Vendor") irrevocably and unconditionally warrants and guarantees to Dynamics Miracle Limited, a subsidiary of the Company (the "Purchaser") that the audited net profit after tax of 3 Dynamics for the upcoming 12 months after the Acquisition Date (the "Audited Net Profit") shall not be less than HK$42,000,000 (the "Profit Guarantee"). The Profit Guarantee is secured by 28,000,000 consideration shares of the Company issued to the Vendor (the "Secured Shares") as referred to note 38(a) to the financial statements. In the event that the Audited Net Profit is less than the amount of Profit Guarantee, the Vendor is required to pay the shortfall of the Profit Guarantee to the Purchaser. In the event that the Profit Guarantee is not achieved, the Vendor and the Purchaser shall jointly sell the Secured Shares appropriately and settle the shortfall from the net proceeds. If the net proceeds are not sufficient to cover the sum of the shortfall, the Vendor shall pay to the Purchaser the difference in cash within 7 business days after the sale. In the event that 3 Dynamics records a loss in its Audited Net Profit, the Audited Net Profit shall be deemed as zero.

The potential undiscounted amount of all future receivables that the Group could receive under the contingent consideration arrangement is between HK$0 and HK$42,000,000.

The fair value of such contingent arrangement amounting to HK$4,535,000 at the Acquisition Date is presented separately on the Company's consolidated statement of financial position. The fair value was determined with reference to the valuation performed by an independent qualified professional valuer, Ascent Partners Valuation Service Limited (the "Ascent Partners"). Changes in variables and assumptions may result in changes in the fair value.

	HK$
Fair value of contingent consideration receivables upon completion of acquisition of 3 Dynamics at the Acquisition Date	4,535,000
Fair value gain for the year	134,000
Fair value of contingent consideration receivables at 31 March 2014	4,669,000

The fair values of contingent consideration receivables at the Acquisition Date and 31 March 2014 are based on valuation results of Ascent Partners, by using a discounted cash flow method (level 3 fair value measurements).

The key assumptions for the discounted cash flow method are those regarding the discount rate and estimated profit forecast of 3 Dynamics for the upcoming 12 months after the Acquisition Date. The Group estimates the discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the contingent consideration receivables. The rates used to discount the forecast cash flows at the Acquisition Date and 31 March 2014 are 11.49% and 11.29% respectively.

As of 31 March 2014, neither the amount recognised for the contingent consideration arrangement, nor the range of outcomes or the assumptions used to develop the estimates had changed.

16. TRADE AND OTHER PAYABLES

	2014	2013
	HK$	*HK$*
Trade payables *(note a)*	**11,637,215**	22,395,570
Other payables *(note b)*	**16,266,848**	14,657,036
Total trade and other payables	**27,904,063**	37,052,606

(a) Trade payables

The Group normally obtains credit terms ranging from 30 days to 120 days from its suppliers. The aging analysis of trade payables based on the due date is as follows:

	2014	2013
	HK$	*HK$*
Not yet due	**11,013,459**	11,272,750
1 – 30 days past due	**545,726**	5,969,666
31 – 60 days past due	**41,022**	4,999,512
61 – 90 days past due	**8,296**	147,453
91 – 180 days past due	**28,712**	6,189
	11,637,215	22,395,570

(b) Other payables

	2014	2013
	HK$	*HK$*
Receipts in advance	**1,709,003**	3,565
Accruals	**2,996,494**	7,401,050
Other tax payables	**1,795,198**	1,924,220
Salary and welfare payables	**8,339,160**	5,226,379
Others	**1,426,993**	101,822
	16,266,848	14,657,036

17. PROMISSORY NOTES

	2014	2013
	HK$	*HK$*
Proceeds from issue	**71,637,760**	–
Imputed interest income arising from issuance of promissory notes	**(7,878,535)**	–
Issue for acquisition of a subsidiary *(note 20)*	**38,673,000**	–
Fair value at issue date	**102,432,225**	–
Imputed interest charged	**5,260,711**	–
Interest paid	**(250,000)**	–
Early redemption	**(8,000,000)**	–
Loss on early redemption	**314,543**	–
At 31 March	**99,757,479**	–
Analysed as:		
Current liabilities	**64,036,519**	–
Non-current liabilities	**35,720,960**	–
	99,757,479	–

The promissory notes are unsecured, bearing interest at rates from 2.5% per annum to 10% per annum and whose maturity dates are ranging from 1 year to 7 years from the dates of issue. The effective interest rates of the promissory notes are ranging from 9.85% per annum to 23.81% per annum.

During the year, the Company issued unsecured promissory notes with aggregate principal amounts of HK$119,360,000 (2013: Nil). The proceeds from the issuance of promissory notes are be used as general working capital of the Group, financing future investment opportunities and as part of the consideration for the acquisition as disclosed in note 20.

During the year ended 31 March 2014, the Group early repaid the promissory note with a nominal value of HK$8,000,000. The promissory note holder has agreed to waive the accrued interest of HK$378,699. A loss of HK$314,543 on early redemption is recognised in the consolidated profit or loss and other comprehensive income.

At any time prior to the maturity date, the Company has sole discretion elect to redeem the promissory notes, in whole or in part (in the amounts of not less than HK$1,000,000 or an integral multiple thereof or such other amounts that agreed between the Company and promissory note holders), at a redemption price equal to 100% of the principal amount of the promissory note, plus accrued and unpaid interest thereon the redemption date.

The early redemption option of promissory note is regarded as an embedded derivative not closely related to the host contract and shall be separately accounted for as a derivative financial instrument. The Company appointed Ascent Partners to assess the fair value of the early redemption option on initial recognition and as at the reporting date. In the opinion of Ascent Partner, the fair value of the early redemption option was considered nil value on both initial recognition and as at the reporting date.

The fair values of the promissory notes as at 31 March 2014 are approximately HK$98,826,000 and were valued by the independent valuer, Ascent Partner.

A promissory note issued to a shareholder with carrying amount of HK$32,522,293 (2013: Nil) was included in the balance as at 31 March 2014. The promissory note is unsecured, bearing interest of 3% per annum and repayable on 24 December 2015.

18. CONVERTIBLE BONDS

	2014	2013
	HK$	*HK$*
Convertible bonds with principal amount of:		
– HK$55,500,000	**9,103,132**	–
– HK$15,600,000	**2,506,533**	–
	11,609,665	–
Analysed as:		
Current liabilities	**7,913,460**	–
Non-current liabilities	**3,696,205**	–
	11,609,665	–

On 24 January 2014 and 20 March 2014, the Company issued unsecured convertible bonds with principal amount of HK$55,500,000 (the "CB1") and HK$15,600,000 (the "CB2") respectively. The maturity dates of CB1 and CB2 are 23 July 2015 and 20 September 2015 respectively. CB1 and CB2 are interest-bearing at 12.5% per annum and payable in arrears at first anniversary and upon its maturity dates. The bond holders of CB1 and CB2 have the rights to convert the bonds into ordinary shares of the Company at any time on the business day after the 12 months from the date of issuance of the bonds until the maturity date at the initial conversion price of HK$2.37 (the "Conversion Price"), subject to anti-dilutive protection adjustments. The Conversion Price was adjusted to HK$0.237 per share due to subdivision of every 1 ordinary share of HK$0.001 each in the share capital of the Company into 10 new ordinary shares of HK$0.0001 each on 24 March 2014.

In addition to the above, at any time before the maturity dates (the "Conversion Period"), the Company may early redeem all or part of the CB1 and CB2 at principal amount plus any accrued and unpaid interest thereon the redemption date. Besides, during the Conversion Period, the bond holders of CB1 and CB2 are deemed to convert all outstanding convertible bonds provided that the average closing price of the shares of the Company for immediately preceding ten consecutive trading days exceeds HK$0.32, which is 35% more than the prevailing Conversion Price.

If any principal amount of the CB1 and CB2 which have not been redeemed or converted in accordance with the terms and conditions of the convertible bond instruments by its respective maturity dates shall be (i) converted into the conversion shares on the maturity date or (ii) in the event that the conversion of the CB1 and CB2 will trigger a mandatory offer obligation under the takeovers code, be redeemed by the Company on the maturity date at a redemption amount equal to 100% of the principal amount of the outstanding convertible bonds.

CB1 and CB2 contain three components, a redemption call, a liability and an equity component. The equity component is presented in equity as part of the "convertible bonds equity reserves". The effective interest rate of the liability component for the CB1 and CB2 are 14.66% per annum and 14.61% per annum respectively. The redemption call is measured at fair value and recorded as derivative financial instruments under "Derivative components of convertible bonds" in the consolidated statement of financial position, with any changes in fair value being charged or credited to the consolidated profit or loss and other comprehensive income in the year when change occurs.

The net proceeds received from the issue of CB1 and CB2 have been split between the derivative component of convertible bonds, liability and equity component, as follows:

	2014			2013
	CB1	**CB2**	**Total**	Total
	HK$	***HK$***	***HK$***	*HK$*
Proceeds from issue	**54,945,000**	**15,444,000**	**70,389,000**	–
Equity components	**(66,583,373)**	**(19,248,049)**	**(85,831,422)**	–
Derivative components of convertible bonds at dates of issue	**20,515,770**	**6,299,370**	**26,815,140**	–
Liability components at dates of issue	**8,877,397**	**2,495,321**	**11,372,718**	–
Interest charged	**225,735**	**11,212**	**236,947**	–
Liability components at 31 March	**9,103,132**	**2,506,533**	**11,609,665**	–
Less: Amount due within one year	**(6,204,393)**	**(1,709,067)**	**(7,913,460)**	–
Amount due over one year	**2,898,739**	**797,466**	**3,696,205**	–
Derivative components at dates of issue	**20,515,770**	**6,299,370**	**26,815,140**	–
Fair value loss for the year	**(60,770)**	**(71,370)**	**(132,140)**	–
Derivative components at 31 March	**20,455,000**	**6,228,000**	**26,683,000**	–

The directors estimate the fair values of the liability components of the CB1 and CB2 at 31 March 2014 to be approximately HK$9,154,000 and HK$2,534,000 respectively. These fair values have been calculated by discounting the future cash flows at an equivalent market interest rate for a similar bond without a conversion option (level 3 fair value measurements).

The derivative components of convertible bonds are measured at its fair values at the date of issues and at the end of each reporting period. The fair values of derivative components of convertible bonds for CB1 and CB2 are estimated using Monte Carlo simulation method (level 3 fair value measurements) and were valued by the independent valuer, Ascent Partners. The key assumptions used are as follows:

	CB1		**CB2**	
	At 31 March 2014	At date of issue	**At 31 March 2014**	At date of issue
Share price	**HK$0.13**	HK$1.29	**HK$0.13**	HK$1.34
Risk free rate	**0.37%**	0.32%	**0.40%**	0.35%
Dividend yield	**Nil**	Nil	**Nil**	Nil
Expected volatility	**106.45%**	102.43%	**103.46%**	102.69%
Yield spread	**13.66%**	13.33%	**13.09%**	13.30%

19. SHARE CAPITAL

	Note	**Number of shares**	**Amount** *HK$*
Authorised:			
Ordinary shares of HK$0.0001 (2013: HK$0.001) each			
At 1 April 2012, 31 March 2013 and 1 April 2013		1,000,000,000	1,000,000
Share subdivision	*(d)*	9,000,000,000	–
At 31 March 2014		**10,000,000,000**	**1,000,000**
Issued and fully paid:			
Ordinary shares of HK$0.0001 (2013: HK$0.001) each			
At 1 April 2012, 31 March 2013 and 1 April 2013		550,000,000	550,000
Issue of shares by placement	*(a)*	110,000,000	110,000
Issue of shares by placement	*(b)*	11,450,000	11,450
Issue of shares upon acquisition of a subsidiary	*(c)*	55,000,000	55,000
Share subdivision	*(d)*	6,538,050,000	–
At 31 March 2014		**7,264,500,000**	**726,450**

Notes:

(a) On 4 July 2013, the Company issued 110,000,000 ordinary new shares at a subscription price of HK$0.12 per share for a total cash consideration of HK$13,200,000. The premium on the issue of shares amounting to HK$12,736,825, net of share issue expenses, was credited to the Company's share premium account.

(b) On 2 December 2013, the Company issued 11,450,000 ordinary new shares at a subscription price of HK$1.56 per share for the total cash consideration of HK$17,862,000. The premium on the issue of shares amounting to HK$17,377,586, net of share issue expenses, was credited to the Company's share premium account.

(c) During the year, the Company issued 55,000,000 ordinary new shares at the issue price of HK$1.60 per share to the Vendor as partial settlement of the consideration for the acquisition of 3 Dynamics.

(d) Pursuant to an ordinary resolution passed on 24 March 2014, each of the issued and unissued ordinary share of HK$0.001 each in the share capital of the Company be subdivided into ten new ordinary shares of HK$0.0001 each.

20. ACQUISITION OF A SUBSIDIARY

On 31 December 2013, the Group acquired the entire issued share capital of 3 Dynamics at a total consideration of HK$170,000,000, which is satisfied by (i) cash of HK$40,000,000, (ii) the issue of 55,000,000 consideration shares of the Company of approximately HK$82,500,000 at a price of HK$1.5 per share of which (a) share certificate in respect of 27,000,000 consideration shares was delivered to the Vendor; and (b) share certificate in respect of 28,000,000 consideration shares was delivered to the escrow agent as security for the performance of the Vendor's obligations under a Profit Guarantee clause that the Audited Net Profit of 3 Dynamics for the upcoming 12 months after the acquisition date shall not be less than HK$42,000,000; and (iii) HK$47,500,000 in form of the promissory note in favour of the Vendor. 3 Dynamics was engaged in the development of digital applications and was acquired to provide an opportunity for the Group to diversify its risk and broaden the source of income.

The fair value of the identifiable assets and liabilities of 3 Dynamics acquired as at its date of acquisition is as follows:

Net assets acquired:	*HK$*
Property, plant and equipment	539,353
Intangible assets	98,035,000
Trade and other receivables	125,733
Trade and other payables	(491,103)
Bank overdrafts	(39,543)
Amount due to a shareholder	(3,012,495)
Deferred tax liabilities	(24,508,750)
Net identifiable assets and liabilities	70,648,195
Goodwill	91,489,805
Contingent consideration receivables	4,535,000
Total consideration for acquisition	166,673,000
Fair value of consideration transferred	
Cash consideration paid	40,000,000
Promissory note at fair value	38,673,000
55,000,000 ordinary shares of the Company	88,000,000
Total consideration paid	166,673,000
Net cash outflow arising on acquisition:	
Cash consideration paid	40,000,000
Cash and cash equivalents acquired	39,543
	40,039,543

The fair value of the trade and other receivables acquired is HK$125,733. The gross amount due under the contracts is HK$125,733. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

The fair value of the 55,000,000 consideration shares of the Company issued as part of the consideration paid was determined on the basis of the closing market price of the Company's ordinary shares at the Acquisition Date. The fair value of the promissory note with principal value of HK$47,500,000 was determined at the Acquisition Date.

The fair value of the contingent consideration receivables of HK$4,535,000 was valued by Ascent Partners, using discounted cash flow method (level 3 fair value measurements). Details of the contingent consideration receivables is set out in note 15 to the financial statements.

The goodwill arising on the acquisition of 3 Dynamics is attributable to the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination.

3 Dynamics contributed approximately HK$2,112 and HK$830,316 to the Group's turnover and loss for the year respectively for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 April 2013, total Group turnover for the year would have been HK$128,492,136, and loss for the year would have been HK$92,414,709. The proforma information is for illustrative purposes only and is not necessarily an indication of the turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2013, nor is intended to be a projection of future results.

21. EVENTS AFTER THE REPORTING PERIOD

(a) On 7 May 2014, the Company and China Investment Securities International Brokerage Limited entered into a placing agreement (the "Placing Agreement") in respect of issuance of convertible bonds up to an aggregate principal amount of HK$84,000,000 to not less than six independent placees. The convertible bonds were unsecured, bearing 12.5% interest rate per annum with a maturity of 18 months from the date of issue and is convertible into ordinary shares of the Company at an initial conversion price of HK$0.237 per share.

On 28 May 2014, the Company announced that all conditions precedent under the Placing Agreement have been fulfilled and the Company issued convertible bonds in the aggregate principal amount of HK$22,100,000 to not less than six independent placees. The net proceeds from the subscription of HK$21,800,000 will be used as general working capital and/or financing future investment opportunities of the Group.

Details of the transactions are set out in the Company's announcements dated on 7 May 2014, 14 May 2014 and 28 May 2014 respectively.

(b) On 15 May 2014, 30 May 2014 and 17 June 2014, the Company issued promissory notes at the principal amounts of HK$5,000,000, HK$10,000,000 and HK$8,000,000 which are due on 14 May 2015, 29 May 2015 and 16 June 2015 respectively. The promissory notes are carrying an interest of 10% per annum. The proceeds from the above issuance of promissory notes will be used as general working capital and/or financing future investment opportunities of the Group.

FINANCIAL REVIEW

The Group's turnover for the Financial Year was HK$128.3 million, representing a decrease of approximately 18.6% from HK$157.4 million for the comparable period of last year. Such decrease in the turnover was mainly attributable to the decrease in turnover from power and data cords for mobile phones. Because of the increase in the operating costs arising from the Group's proactive expansion of business during the Financial Year, and of the share-based payments arising from the grant of share options to the Group's directors and consultants for the year ended 31 March 2014 (being a non-cash flow item which will not directly impact the Group's cash flows), the Group's loss attributable to the Company's owners rose by 813.9% year-on-year to HK$88.7 million.

The Board does not recommend to pay dividends for the Financial Year.

BUSINESS REVIEW

During the Financial Year, the Group continued to operate its business of power and data cords in a steadfast manner and its major product categories included: (i) power cords and inlet sockets for household electric appliances, and (ii) power and data cords for mobile phones and medical control devices. Despite the backdrop of a challenging development of the sector, the Group's relevant operations witnessed steady advancement. In order to diversify its operating risks and expand its sources of revenue, the Group continuously and proactively sought to capture a full spectrum of development strategies and investment opportunities. During the Financial Year under review, the Group's business made groundbreaking advances through its acquisition of the entire issued share capital of 3 Dynamics, a company principally engaged in the development of mobile phone games and digital applications (APPs), such acquisition enabling the Group to commence its formal involvement in the highly promising market of mobile phone games.

In addition, in order to seize opportunities in the rapidly-evolving natural gas market in mainland China as well as to optimise the Group's development prospects in a strategic manner, the Group contributed capital in conjunction with two strategic collaborative partners to establish a joint venture in mainland China for conducting the business of LNG, CNG and related clean energy, for which the Group acts as the controlling shareholder and holds a 51%-stake. Symbolising the Group's achievement of a new milestone, such joint venture project enabled the Group to participate in the up-and-coming Chinese natural gas market and served to define its future direction of development. The Group will continue to broaden its development in the natural gas market in mainland China.

Regarding the Group's operational structure, Hong Kong and mainland China remained to be the major markets for its business, with the aggregate turnover from these two regions accounting for approximately 65% (2013: approximately 83%) of the Group's total turnover. The turnover from other overseas markets, including the United States, accounted for approximately 35% (2013: approximately 17%) of the total turnover.

Power and Data Cords Business

Power Cords and Inlet Sockets for Household Electric Appliances

Turnover from power cords and inlet sockets for household electric appliances was approximately HK$36 million (2013: approximately HK$26 million), representing a year-on-year increase of approximately 37.3%.

The Group's power cords and inlet sockets used in household electric appliances received safety approvals and/or certificates in many countries, many of which also received eleven types of international safety standards. The Group believes that the high standard of these products can fulfill the expectations and requirements of customers and benefit the Group's business expansion in the long run.

Power and Data Cords for Mobile Phones and Medical Control Devices

With fierce competition in the sector during the Financial Year, the Group focused on those customer groups generating high profit margins and rigorously controlled its production costs, and the Group's turnover from power and data cords for mobile phones and recorded a year-on-year decrease of 28.5% to HK$70.7 million (2013: approximately HK$99 million).

The power and data cords for mobile phones are generally used for power charging and data transfer and are essential accessories for all mobile handsets. The enormous demand for telecommunication devices, especially in the PRC, facilitated the Group to produce power and data cords of different specifications, including high speed USB connectors and data cord products, which can support higher data transmission speeds and better audiovisual output quality. All our devices conform with the standards of mobile handset designs set by USB Implementers Forum, Inc.

For the Financial Year under review, the Group's turnover from power and data cords for medical control devices was approximately HK$21.3 million (2013: approximately HK$19.2 million), representing a year-on-year increase of approximately 11%.

The power and data cords for medical control devices are multi-functional products which are mainly exported to a customer in the United States. The devices are then used for further assembly and are processed into final products (which include keyboard, pillow speakers, bed controls, bed cables and call cords to be sold to hospitals and clinics). The keyboard products newly introduced in the Financial Year became a new source of the Group's revenue within this segment.

Acquisition of a Subsidiary

During the Financial Year, the Group acquired the entire issued share capital of 3 Dynamics in the hope of thus gaining entry into the market of mobile phone games and digital applications with considerable prospects, and of optimising the Group's revenue base through an adjustment to its revenue structure. On 21 November 2013, Dynamic Miracle Limited (the "Purchaser", a wholly-owned subsidiary of the Group) and Mr. Chung Wai Sum (the "Vendor") entered into a sale and purchase agreement, pursuant to which the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor, at an aggregate consideration of HK$170 million, such sale shares as representing the entire issued share capital of 3 Dynamics. The completion date of such acquisition is 31 December 2013.

The Group is optimistic about the operational prospects of 3 Dynamics and is of the view that the acquisition will enable it to further enhance its profitability. The consideration for the acquisition was arrived at upon careful consideration by both the Purchaser and the Vendor, taking into such factors including: (i) the valuation report dated 19 November 2013 prepared by the valuer showing that the market value of 3 Dynamics was approximately HK$175.2 million as at 15 November 2013 based on the discounted cash flow method under the income approach; (ii) the profit guarantee, under which the provision that the after-tax net profits of 3 Dynamics for the 12 months from the date of acquisition would not be less than HK$42 million had to be satisfied by the Vendor for the obtaining of the 28 million shares of the Company against the consideration for the acquisition; and (iii) the Group's expectation of the Vendor company's business and growth prospects after the acquisition.

3 Dynamics recently expanded its scope of business to include the provision of design and development services for mobile games featuring popular animation and comics characters in China. It has entered into a cooperation agreement with a professional 3D animation studio (the "Animation Studio"), pursuant to which: (i) the Animation Studio would exclusively licence to, and provide for, 3 Dynamics animation productions and cartoon characters; and (ii) 3 Dynamics would develop and produce mobile phone games by using such materials and the Animation Studio would act as the exclusive global distributor for such game products, with a term of five years which would be renewable for another 5 years. The Animation Studio is licensed to produce broadcast and television programmes in China, and is also registered to produce and distribute television and animation programmes in China. It has already completed the creation of over 32,000 minutes of original 3D animation productions and owns hundreds of patented cartoon characters and productions, with such productions having been broadcasted on China Central Television and over 70 major television channels in China.

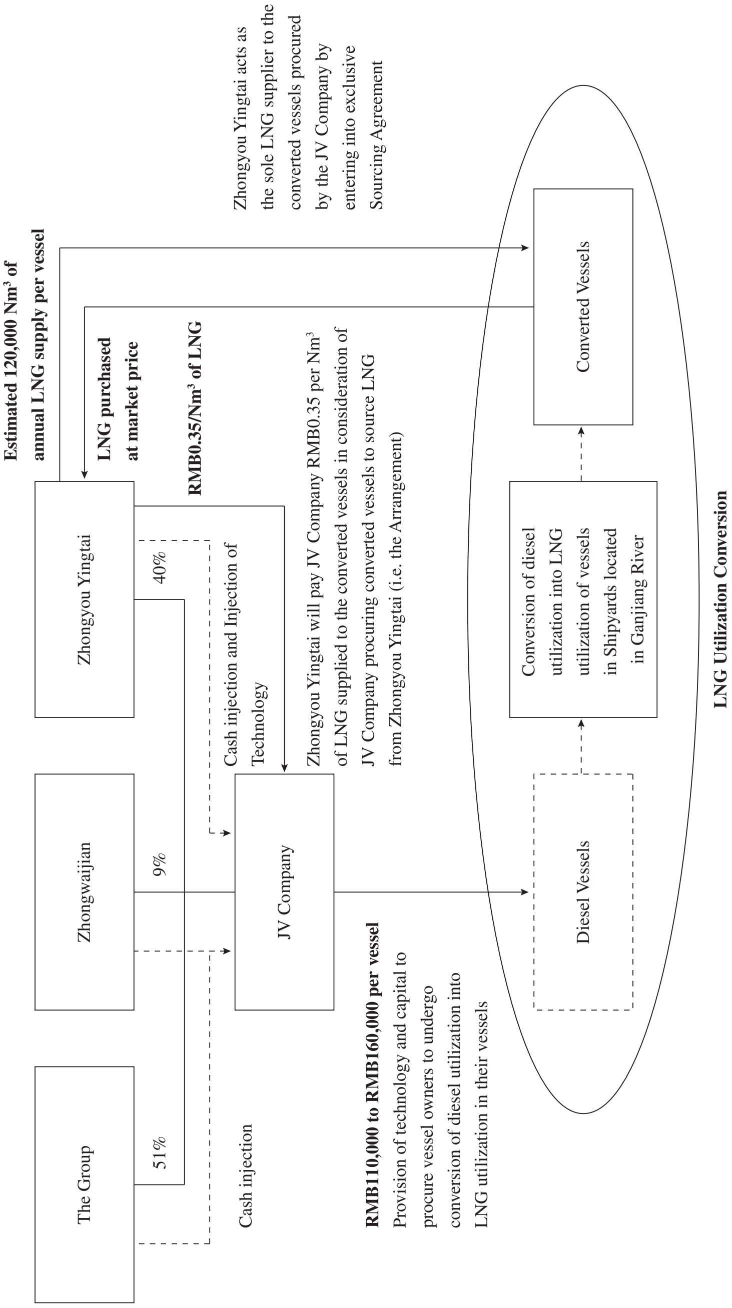
Established in 2004 and incorporated in Hong Kong, 3 Dynamics is principally engaged in the development of mobile phone games and digital applications (APPs). The 3G game products created by 3 Dynamics have been granted awards from the Hong Kong Wireless Technology Industry Association as well as the HKICT Awards 2006. As of 2009, 3 Dynamics had successfully developed and sold globally more than 60 mobile applications, which were compatible with various platforms and came with different language versions.

Formation of a Joint Venture Company for Developing Natural Gas and Clean Energy Business

On 6 September 2013, the Group entered into a joint venture agreement (the "JV Agreement") with Zhongyou Yingtai and Zhongwaijian, pursuant to which: (i) a joint venture company, (namely Jiangxi China Oil Gangran Energy Technology Company Limited (江西中油港燃能源科技有限責任公司)) (the "JV Company") would be jointly established for developing the businesses of LNG, CNG and related clean energy, including but not limited to the conversion of traditional oil fuel utilization to LNG utilization by vessels for water transportation ("Vessel LNG Utilization Conversion"); and (ii) Zhongyou Yingtai will inject technologies into the JV Company. The registered capital of the JV Company will be RMB100 million (equivalent to approximately HK$125.6 million), and its capital will be contributed to, and its interests will be owned, by the Group, Zhongyou Yingtai and Zhongwaijian as to 51%, 40% and 9% respectively.

As set out in the announcement of the Group dated 27 January 2014, the JV Company was established in Jiangxi province under the name of Jiangxi China Oil Gangran Energy Technology Company Limited, and obtained a business licence with a term of 30 years. The term of the JV Agreement will be subject to extension in the discretion of the board of directors of the JV Company 6 months prior to the expiry of the JV Agreement.

The following flow chart illustrates the business model of the JV Company:



The JV Company will provide service to vessel owners to convert traditional diesel utilization to LNG utilization by vessels. The JV Company will enter into Conversion Agreement with vessel owners in relation to the Conversion and as a condition of the Conversion Agreement, the vessel owners shall also enter into the Sourcing Agreement with Zhongyou Yingtai pursuant to which the vessel owners shall source exclusively from Zhongyou Yingtai and Zhongyou Yingtai shall supply LNG to the converted vessels. In other words, it comes in a package that the vessel owners have to enter into both Conversion Agreement and Sourcing Agreement in order to obtain the service of Conversion from the JV Company. Although Zhongyou Yingtai briefly communicated with various vessel owners in the Ganjiang River area with respect to the business model of the JV Company during its feasibility study, as the JV Company is only recently established, no Sourcing Agreements or written arrangements have been signed with the vessel owners as at the Latest Practicable Date.

The average lifespan of a vessel is 20 to 30 years. To maximize the profit to be generated from the provision of LNG to the vessels, the JV Company and Zhongyou Yingtai intend to enter into Conversion Agreements and Sourcing Agreements respectively with relatively younger vessels for a term of over 20 years. Under the JV Agreement, the JV Company will also enter into the Arrangement with Zhongyou Yingtai, pursuant to which Zhongyou Yingtai shall pay the JV Company RMB0.35 (equivalent to approximately HK$0.44) per Nm^3 of LNG supplied by Zhongyou Yingtai to the converted vessels under Zhongyou Yingtai's Sourcing Agreements with the vessel owners, for a term of 30 years.

The cost of Conversion shall be borne jointly by the JV Company and the vessel owners, as such the provision of Conversion service is not a source of revenue for the JV Company. The JV Company derives its revenue from the Arrangement which in turn correlates with the Sourcing Agreement. The more LNG Zhongyou Yingtai supplies to the vessel owners under the Sourcing Agreement, the more revenue will the JV Company obtain from the Arrangement. Therefore, to secure a stream of revenue for the JV Company, the JV Parties intended that Zhongyou Yingtai would enter into Sourcing Agreements with vessel owners for a long period depending on the circumstances (including but not limited to the life span of the vessels) and Zhongyou Yingtai would enter into the Arrangement with the JV Company for a term of 30 years (which commensurate with term of the JV Company) to enable the JV Company to indirectly capture revenue from the Sourcing Agreement during the term of the JV Company. As the payback period of the JV Company is estimated to be 2.4 years to 3.7 years (as described in the section "Continuing Connected Transaction" in the Group's circular dated 28 February 2014), the Board believes that the revenue model of the JV Company, which involves the vessel owners signing contracts with terms significantly longer than the aforementioned payback period, is in the interest of the Company and the Shareholders.

Reasons for Establishing the JV Company and Injecting Technology

The Group is principally engaged in: (i) the manufacturing and sales of power and data cords for mobile phones and medical control devices; the manufacturing and sales of power cords and inlet sockets for household electric appliances; and (ii) the development of digital applications, including but not limited to handheld game consoles, mobile game applications and digital marketing solutions. Upon the establishment of the JV Company, the Group's business will be diversified such that it will include the conversion of vessels from conventional diesel utilization to LNG utilization in the water transportation industry. The Group does not intend to dispose of its existing businesses.

With support from China's policies for the development of the energy-saving and environmental protection sector (including but not limited to the 12th Five-Year Plan and the Guiding Opinions), it is expected that clean energy (such as natural gas) consumption in industrial, civil, transportation and other fields will increase, and that LNG, CNG and related clean energy will enjoy bright prospects in the market of sustainable development.

Given that the Board is optimistic about the development of China's natural gas sector and, in particular, the business potential offered by the LNG business in the Gan River watershed, the directors believe that the Group will leverage on the network and expertise of Zhongyou Yingtai for developing a conversion business with a high threshold of entry. Besides, Zhongyou Yingtai has established LNG storage facilities and an LNG transportation system in Jiangxi province, and has also built strong business relationships with China's LNG suppliers, LNG-fuelled vessels and other LNG clients, which is conducive to creating synergy for the conversion business of the JV Company. Since there is currently no competitor in the Gan River region, the Board is of the view that a great opportunity now presents itself for entering the conversion business market of Jiangxi province.

In addition, the JV Company will become the owner of the technology which is essential for conducting its business of vessel LNG utilization conversion. The Board also believes that the formation of the JV Company will enable the Group to diversify its sources of revenue and enhance its long-term profitability. Based on the above, the Board is of the view that the terms of the JV Agreement, the formation of the JV Company and the injection of the technology are fair and reasonable, and are in line with the interests of the Group and its shareholders in general.

CHANGE OF COMPANY NAME AND WEBSITE

In order to better reflect the Group's corporate image of devoting itself to business expansion to the field of natural gas and clean energy, as well as the advantages attained by the Group through its collaboration with leading, professional natural gas operator in mainland China, the Group's English name will be officially changed from "Fairson Holdings Limited" to "China Oil Gangran Energy Group Holdings Limited" effective from 23 April 2014, and "中油港燃能源集團控股有限公司" has already been adopted as the Group's Chinese name for replacing the former "鉦皓控股有限公司".

The English stock short name of the shares traded on the Stock Exchange will be changed from "FAIRSON HLDGS" to "CHINAOILGANGRAN" and the corresponding Chinese stock short name will be changed from "鉦皓控股" to "中油港燃", in each case effective from 9 a.m. on 5 May 2014. The stock code of the Group on the Stock Exchange will remain unchanged.

Effective from 23 April 2014, the Group's websites changed from "http://www.sunfairw.com.hk" and "http://www.irasia.com/listco/hk/fairson" to www.chinaoilgangran.com and http://chinaoilgangran.todayir.com, in order to reflect the change of the Group's name.

The Board believes that the change of the Group's name and its websites will be conducive to a better communication between the Group and the investment community, society, government and its other collaborative partners, as well as to defining the Group's direction of strategic development.

OUTLOOK

During the Financial Year under review, despite the fierce competition in the sector in which the Group operated, it consistently conducted its business in a steadfast manner, and cautiously reviewed and, by seizing the opportune moment, expanded its scope of business. The power and data cords business, of which the operating performance remained steady during the Financial Year, will continue to contribute to the Group's revenue in future.

In 2013, China's market of mobile phone games was in boom and the actual sales revenue from the entire mobile games market reached RMB11.24 billion, representing a year-on-year increase of 246.9%. Although the China market of mobile phone games is still in its nascent stage, it can be foreseen that the development of mobile phone games will continue to grow as smartphones are gaining further popularity in the country, and the Board is optimistic about the Chinese market of mobile phone games which shows tremendous potential. 3 Dynamics, in which the Group successfully acquired the entire interests during the Financial Year, has sophisticated experience in developing games, owns a vast array of cartoon character resources and is supported by its strong distributor partners, and hence the Board believes that the Group's profitability can be further enhanced through 3 Dynamics.

On the other hand, judging from the *Energy Conservation and Emission Reduction Twelfth Five-Year Plan* (《節能減排十二五規劃》) promulgated by the State Council of China, the country has started to promote energy conservation and emission reduction as key strategies for the period covered by the 12th Five-Year Plan. In this connection, adjusting the energy structure and encouraging the application of natural gas are among the major initiatives. The National Energy Administration estimates that China's natural gas consumption will have reached 230 billion cubic metres in 2015 (compared with the apparent consumption of 167.6 billion cubic metres in 2013). The Group believes that natural gas, being an important component of energy conservation and emission reduction, is in line with the country's future strategic needs as regards energy as well as with the interests of the society and public in general.

Over the past few years, China has implemented various measures for promoting natural gas consumption and the application of natural gas in the water transportation sector, including the *Guiding Opinions on Accelerating the LNG Utilization in Waterborne Industry* (《關於加快推進水運行業應用液化天然氣(LNG)的指導意見》) issued by the Ministry of Transport in 2013, and such notices as *the Administrative Measures of Standardized Subsidy Fund on Inland Canal Vessel* (《內河船型標準化補貼資金管理辦法》) jointly issued by the Ministry of Finance and the Ministry of Transport in 2014. This brings to light the fact that the country has been gradually enhancing its relevant support, which is beneficial for natural gas enterprises in their pursuit of achieving more substantial returns in future.

The Group has been proactively developing its business of vessel LNG utilization conversion. Not only is this in line with China's strategic needs in such areas as conserving energy, reducing emissions and promoting the application of natural gas, but the relevant patented conversion technology can also bring positive economic benefits to the vessel owners and users. The Group believes that the aforesaid advantageous policies, social conditions as well as the Group's unique patented technology will enable the Group to conduct its business of vessel LNG utilization conversion successfully, thereby creating value and augmenting its shareholders' gains. On this basis, the Group will also continue to expand its scope of business in the field of clean energy, strengthening its position in the energy sector and enhancing its business income.

The Group believes that by leveraging on the combined efforts of its personnel and tapping its spirit of constant innovation, and with the continuous implementation of constructive strategic adjustments, the Group's overall operating performance will progress towards a more favourable direction. Due to its attractive prospects, the Group will focus on accelerating the development of its clean energy business, which will be complemented by such business segments as mobile phone games and data cords, such that the optimised business structure for both the medium and long term can be achieved for maximising the overall returns and value offered to the Group's shareholders.

POTENTIAL ACQUISITION ACTIVITIES

During the Financial Year, the Group keenly searched for business expansion opportunities so as to achieve the aims of business diversification and revenue structure optimisation, thereby enhancing the shareholders' gains. Apart from the recently developed natural gas business in the market of Jiangxi province, the Group also kept abreast of other opportunities in the energy sector. On 10 January 2014, the Group entered into a memorandum of understanding with Mr. Wu Zhi Qiang (the "Vendor"), pursuant to which the Vendor proposed to sell and the Group proposed to purchase all the issued shares in Jian Long Da Holdings Limited (the "Target Company"), which was an investment holding company. On 17 September 2013, the Target Company entered into a framework agreement with the People's Government of Wangdu county, Hebei province, pursuant to which, for a term of 30 years, the Target Company will establish a project company in China, and the People's Government of Wangdu county, Hebei province will grant to such project company the exclusive right to construct and operate centralised heating facilities in Wangdu county, Hebei province.

Pursuant to the memorandum of understanding, the Vendor will not (and will cause its agents and consultants not to) negotiate, directly or indirectly, any sale or transfer of any of the shares in or material assets of the Target Company with any third party during the exclusivity period. A formal agreement will be entered into by the parties within 7 days upon the Group's completion of its due diligence on the Target Company (with the results of which the Group shall be satisfied). The exclusivity period refers to the 9-month period from the date of the memorandum of understanding.

Pursuant to the memorandum of understanding, the Group would pay to the Vendor a deposit in the amount of HK$15 million as earnest money. A deed of charge, as the security for the deposit, was entered into by the Vendor (as the chargor) in favour of the Group (as the chargee) on 10 January 2014. The payment of the deposit by the Group was an indication of its interest in and intention of effecting the proposed acquisition. The Board hereby emphasises that as of the date hereof, the Group and the Vendor have not agreed on the detailed terms of the proposed acquisition (including the amount and means of payment for the consideration). The Board is of the view that the proposed acquisition represents for the Group an opportunity to participate in China's centralised heating market, and that it will further enhance the Group's investment portfolio and future earnings.

ANNUAL GENERAL MEETING

The annual general meeting of the Company ("2014 Annual General Meeting") will be held on Thursday, 31 July 2014.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders who are entitled to attend and vote at the 2014 Annual General Meeting, the register of members of the Company will be closed from Friday, 25 July 2014 to Thursday, 31 July 2014, both days inclusive, during which no transfer of shares of the Company will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Agent in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Thursday, 24 July 2014.

EMPLOYEES' REMUNERATION POLICY

As at 31 March 2014, the Group employed 539 (2013: 808) full time employees mainly in the PRC and Hong Kong. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, the Group's performance, and the individual's qualifications and performance. Employee benefits include the mandatory provident fund scheme for Hong Kong employees and central pension schemes operated by the local municipal governments for employees in the PRC. The Group also provides training programs for its employees to equip themselves with the requisite skills and knowledge and offer a share option scheme to recognise the employees who make significant contributions to the Group.

Total staff costs (including Directors' remuneration) for the Financial Year amounted to approximately HK$67.5 million (2013: approximately HK$39.8 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2014, the indebtedness of the Group was approximately HK$115.8 million (2013: approximately HK$6.7 million). The borrowings are denominated in Hong Kong dollars. Details of the maturity profile of the borrowings of the Group are set out in note 29, 30 and 31 to the financial statements. The Group had bank and cash balances of approximately HK$91.2 million (2013: approximately HK$12.7 million).

As at 31 March 2014, the Group's trade receivables was approximately HK$25.7 million (2013: approximately HK$42.2 million), representing approximately 20% (2013: approximately 27%) of the Group's turnover of approximately HK$128.3 million (2013: approximately HK$157.4 million) for the Financial Year. The Group adopted a stringent credit policy to minimize credit risk.

As at 31 March 2014, the ratio of current assets to current liabilities of the Group was approximately 1.49 (2013: approximately 1.52).

Details of the capital structure of the Company as at 31 March 2014 are set out in note 34 to the financial statements.

Commitments of the Group as at 31 March 2014 are set out in note 41 and 42 to the financial statements.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group operates mainly in Hong Kong and the PRC and is exposed to minimal foreign exchange risks arising from various currency exposures, primarily with respect to the Renminbi ("RMB") and United States dollar ("US$"). The Group mitigates these risks by maintaining HK$, US$ and RMB bank accounts to pay for the transactions denominated in these currencies respectively. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

PLEDGE OF ASSETS

As at 31 March 2014, the Group's following assets are pledged to secure its bank borrowings:

(a) The Group's leasehold land and buildings with an aggregate carrying value of approximately HK$4,304,000 (2013: approximately HK$4,433,000);

(b) Pledge of the Group's bank deposits with an aggregate carrying value of HK$Nil (2013: approximately HK$1,511,000); and

(c) Corporate guarantees provided by the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the Financial Year.

The Company had issued and granted convertible securities and options during the Financial Year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its Shareholders and enhance its corporate value. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "CG Code").

During the Financial Year, the Company had complied with the code provisions in the CG Code with the exception of the CG Code provision A.2.1 and A.6.7. Details of such deviation will be explained below.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises Mr. Li Hin Lung, Mr. Chan Kai Wo and Mr. Chua Hoon Chong, all of whom are independent non-executive directors of the Company. The Audit Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Audit Committee has reviewed the results of the Group for the Financial Year.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2014 have been agreed by the Company's auditors, RSM Nelson Wheeler, to the amounts set out in the Company's draft consolidated financial statements for the Financial Year. The work performed by RSM Nelson Wheeler in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM Nelson Wheeler on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, shareholders, staff and management for their continuous dedication, commitment and support.

By Order of the Board
China Oil Gangran Energy Group Holdings Limited
Yeung Tin Hung
Chairman

Hong Kong, 27 June 2014

As at the date of this announcement, the executive Directors are Mr. Yeung Tin Hung, Mr. Yeung Shing Wai and Mr. Ho Chun Kit Gregory; the non-executive Director is Mr. Tse Yee Hin, Tony; and the independent non-executive Directors are Ms. Eugenia Yang, Mr. Chan Lung Ming, Mr. Ng Ka Chung and Mr. Lau Sung Tat, Vincent.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at http://www.hkgem.com for at least 7 days from the date of its posting and on the websites of the Company at www.chinaoilgangran.com and http://chinaoilgangran.todayir.com.